exchanges, 15 exchanges are working on OFC media, 13 exchanges are connected on Micro Wave (M/W), 4 exchanges on Satellite media. The remaining 10 exchanges are on overhead media and these exchanes are planned to be provided on reliable media during 2001-02.

Loss suffered by AAI

*136. SHRI SANTOSH BAGRODIA:
SHRIMATI AMBIKA SONI:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government's attention has been drawn to the observations of Comptroller and Auditor General of India regarding the loss suffered by Airports Authority of India in finalizing bids for awarding of a contract for running duty free shops; and

(b) if so, what steps have been taken by Government in this regard?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) and (b) The Comptroller and Auditor General, in its report has observed that the contracts for Duty Free Shops could not be awarded to highest bidder due to Management's lapse in inviting bids for running the Duty Free Shops departmentally without having expertise for the same and obtaining financial bids in an erroneous manner from the existing parties for the original tender, and AAI had to forego a total revenue of Rs. 168.75 crores upto June, 2000. The facts of the matter in this regard are as under:

In June, 1995, AAI had invited pre-qualification global tanders for selection of consultant/consolidators to assist the AAI to set up Duty Free Shopping Arcades in the additional areas identified at the five international airports of Delhi, Mumbai, Chennai, Kolkata and Thiruvananthapuram. In January, 1996 a Committee felt that AAI did not have sufficient experience in the running of duty free shops. Therefore, the committee decided to select a concessionaire for running duty free shops and shortlisted four parties from the bids received. Accordingly in August, 1996, AAI asked those shortlisted

parties to submit financial bids. They were asked to submit bids for setting up duty free shops not only in the additional area identified in the begining at the five international airports but also in new Terminal-2C at Mumbai, which was under construction. In June 1996, broad terms and conditions were finalised. In August 1996, financial bids were received. M/s Lion City Holding, Singapore bid highest for Terminal-2C while M/s Weitnaur Switzerland bid highest for additional area. All the bidders were asked to match with the highest offer in respect of the two segments. M/s Lion City Holding, who had been ranked higher in the technical presentation offered to hike their offer to match with M/s Weitnaur and were, therefore, asked to revalidate their Earnest Money Deposit (EMD). M/s Lion City did not revalidate their EMD and therefore their offer got invalidated. It was also decided to delink Terminal-2C at Mumbai as it was still under construction and also to consider the offer M/s Weitnaur.

While negotiating the contract terms with M/s Weitnaur, AAI noticed some legal infirmity in tender procedures *i.e.* the pre-qualification for tenders invited in 1995 were for consultant/ consolidators to assist AAI, whereas the final proposed award was for concessionaire. In May, 1998 AAI took a decision to reject the tender due to this legal infirmity. If the tenders had been awarded, it would have led to legal complication and court cases.

Educational Loans

*137. SHRI BRATIN SENGUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have recently softened the terms and conditions for granting educational loans to students joining higher/ technical/Professional courses in India and abroad by scheduled banks;

(b) if so, the details thereof;

(c) whether Government are aware that banks create a number of hurdles to discourage the loanees; and

(d) if so, the steps taken/contemplated to tide over this phenomenon?